

MOTION BY SUPERVISOR MARK RIDLEY-THOMAS

SEPTEMBER 2, 2014

**Maintaining Access to Essential Mental Health Services in Skid Row**

The Board of Supervisors adopted recommendations on May 13th and May 20th, 2014 concerning the relocation of essential Department of Mental Health programs planned for the Little Tokyo Lofts building located in the downtown Skid Row area. The Chief Executive Office's Real Estate Division has identified nearby buildings located at 631 South Maple Avenue and 224 East 6<sup>th</sup> Street comprising of a total of 7,915 square feet to house the Prevention and Early Intervention and CalWORKs Mental Health programs. The space at 631 South Maple Avenue and 224 East 6th consist of 5,552 square feet and 2,363 square feet, respectively. It is critical to move forward with a lease for both properties expeditiously to maintain accessibility for patients in the Skid Row area.

**I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:**

1. Consider the Negative Declaration for which no comments were received during the public review process and find on the basis of the whole record before the

**- MORE -**

MOTION

MOLINA \_\_\_\_\_

RIDLEY-THOMAS \_\_\_\_\_

YAROSLAVSKY \_\_\_\_\_

ANTONOVICH \_\_\_\_\_

KNABE \_\_\_\_\_

**MOTION BY SUPERVISOR MARK RIDLEY-THOMAS**  
**SEPTEMBER 2, 2014**  
**PAGE 2**

Board of Supervisors (Board) that this project will not have a significant impact on the environment, find that the Negative Declaration reflects the independent judgment and analysis of the Board, and adopt the Negative Declaration. Find the proposed leasing of space will have no adverse impact on wildlife resources and authorize the Chief Executive Officer (CEO) to complete and file an appropriate determination form for this project;

2. Approve and instruct the Chairman to sign an eight-year lease with Samko, General Partnership (Landlord) to occupy approximately 7,915 square feet of total office space for the Department of Mental Health (DMH) at a maximum first year rental cost of \$406,397. The rental and related costs are to be jointly funded by the Mental Health Services Act through its Mental Health Services Fund and the Department of Public Social Services CalWORKs program funds;
3. Direct the CEO to cause Internal Services Department (ISD), or the Landlord, to acquire telephone, data, and low voltage systems at a cost not to exceed \$605,500, which will be paid by DMH via a lump sum payment; and
4. Authorize the CEO, DMH and ISD to implement the project.

####

**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE  
LEASE AGREEMENT**

**DEPARTMENT: MENTAL HEALTH, as Tenant  
LANDLORD: SAMKO, a GENERAL PARTNERSHIP**

**631 SOUTH MAPLE AVENUE, LOS ANGELES AND  
224 EAST 6<sup>TH</sup> STREET, LOS ANGELES**

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COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE  
LEASE AGREEMENT

THIS LEASE is entered into as of the 2nd day of September, 2014 between SAMKO, General Partnership ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION The following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease.

1.1 Defined Terms Relating to the Lease:

- (a) Landlord's Address for Notice: SAMKO, General Partnership  
208 East 6<sup>th</sup> Street  
Los Angeles, California 90014
- (b) Tenant's Address for Notice: Board of Supervisors  
Kenneth Hahn Hall of Administration,  
Room 383  
500 West Temple Street  
Los Angeles, California 90012

With a copy to:

Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate  
Fax Number: (213) 217-4971

- (c) Premises: Approximately 7,915 rentable square feet  
comprised as follows:

Premises A (CalWorks): Approximately 5,552  
rentable square feet in the Building (defined  
below) in the space known as 631 South Maple  
Avenue as shown on Exhibit A attached  
hereto.

Premises B (PEI): Approximately 2,363 square  
feet in the Building (defined below) in the  
space known as 224 East 6<sup>th</sup> Street, Los  
Angeles as shown on Exhibit A attached  
hereto.

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- (d) Building: The building located at 208 East 6<sup>th</sup> Street, Los Angeles which includes Premises A commonly known as 631 South Maple Avenue, Los Angeles and Premises B commonly known as 224 East 6<sup>th</sup> Street, Los Angeles all which is located upon the real property described more particularly in Exhibit B attached hereto (the "Property");
- (e) Term: Eight (8) years commencing upon Tenant's Acceptance of the Premises as defined in Section 4(a) (the "Commencement Date"); and terminating at midnight on the day before the 8<sup>th</sup> anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
- (f) Projected Commencement Date: October 1, 2014
- (g) Commencement Date: See Section 4(a)
- (h) Irrevocable Offer Expiration Date: August 12, 2014
- (i) Basic Rent: \$16,700.65 per month (which is based upon a rental rate of \$2.11 per rentable square foot (adjustable only as provided in Sections 2(b) and 5 hereof.)
- (j) Early Termination Notice Date: Any time after the 60<sup>th</sup> month
- (k) Rentable Square Feet in the Premises: 7,915
- (l) Use: General office use or for any other lawful purposes not incompatible with other uses in the Building.
- (m) Initial Departmental Use: Mental Health
- (n) Parking Spaces: N/A



(o) Normal Working Hours: 7:00 a.m. to 7:00 p.m., Monday through Friday and 9:00 a.m. to 2:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California.

(p) Asbestos Report: Not Applicable

1.2 Defined Terms Relating to Landlord's Work Letter:

(a) Base Tenant Improvement Allowance: N/A

(b) Additional Tenant Improvement Allowance: \$831,075 (\$105 per RSF)

(c) Maximum Change Order Allowance: \$39,575 (\$5 per RSF)

(d) Additional Tenant Improvement and Change Order Amortization Rate: 8% per annum

(e) Basic Rent Reduction: N/A

(f) Tenant's Work Letter Representative: Miguel Covarrubias or an assigned staff person of the Chief Executive Office-Real Estate Division.

(g) Landlord's Work Letter Representative: An assigned representative of the Landlord.

(h) Landlord's Address for Work Letter Notice: See Section 1.1(a)

(i) Tenant's Address for Workletter Notice: Board of Supervisors  
Kenneth Hahn Hall of Administration,  
Room 383  
500 West Temple Street  
Los Angeles, California 90012

With a copy to:

Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate  
Fax Number: (213) 217-4971

1.3 Exhibits to Lease:

Exhibit A - Floor Plan of Premises  
Exhibit B- Legal Description of Property  
Exhibit C - Commencement Date  
Memorandum and Confirmation of Lease  
Terms  
Exhibit D - HVAC Standards  
Exhibit E - Cleaning and Maintenance  
Schedule

1.4 Landlord's Work Letter:  
(Executed concurrently with this Lease and  
made a part hereof by this reference):

Landlord's Work Letter  
Addendum A: Base Building Improvements  
Addendum B: Tenant Improvements

1.5 Supplemental Lease  
Documents: (Delivered to  
Landlord and made a part hereof by this  
reference):

Document I: Subordination, Non-disturbance  
and Attornment Agreement  
Document II: Tenant Estoppel Certificate  
Document III: Community Business  
Enterprises Form  
Document IV: Memorandum of Lease  
Document V: Request for Notice

2. PREMISES

(a) Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto.

(b) Tenant shall have the right within ninety (90) days of approval of this Lease by the Board of Supervisors of the County of Los Angeles ("Board of Supervisors") to field-measure and verify the exact footage of the Premises. All measurements shall be taken in accordance with the methods of measuring rentable/usable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996, as promulgated by the Building Owners and Management Association ("BOMA") International except that no penthouse mechanical room space shall be included in the measurement. Should this measurement be less than the square footage stated above, Tenant shall have the right to adjust such square footage and reduce the Basic Rent in Section 1 accomplished by the mutual execution of a memorandum of understanding between the Landlord and the Tenant. Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no adjustment made to either the square footage or the Basic Rent in the event the measured square footage exceeds the amount represented by Landlord. Should Landlord and Tenant not agree with respect to the results of the measurement conducted pursuant to this subsection (b) Landlord shall appoint an independent firm or person who is experienced in making such measurements whose determination with respect to which measurement is correct shall be final and binding upon the parties. Landlord and Tenant shall share equally in the fees of such firm.

3. COMMON AREAS. Tenant may use the following areas ("Common Areas") in common with Landlord and other tenants of the Building: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Areas established by Landlord.

#### 4. COMMENCEMENT AND EXPIRATION DATES

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within 30 days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached as Exhibit C. The Commencement Date shall begin upon Tenant's Acceptance of the Premises. The term "Tenant's Acceptance of the Premises" as used in this Lease shall mean the date upon which the Premises are Substantially Complete, Tenant has inspected the Premises and Tenant has accepted the Premises. The term "Substantially Complete" or "Substantial Completion" as used in this Lease shall mean compliance with all of the following: (1) the shell and core of the Building are complete and in compliance with all applicable laws and codes, and all of the building systems are operational to the extent necessary to service the Premises; (2) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease, including the installation of modular furniture systems, if so required (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises; (3) Landlord has obtained a certificate of occupancy for the Building, or a temporary certificate of occupancy, or the earlier of receiving Building and Safety's final inspection approval or Tenant's occupancy of the Premises for that portion of the Building that includes all of the Premises, or its equivalent; ; and (4) if Landlord is responsible for the installation of telecommunication systems, then such systems shall be completely operational.

(b) Early Termination. Tenant and Landlord shall have the mutual right to terminate this Lease at any time after the Early Termination Notice Date, as defined in Section 1, by giving the other not less than 120 days prior written notice executed by the Chief Executive Officer of Tenant or Landlord.

5. RENT. Tenant shall pay Landlord the Basic Rent stated in Section 1 during the Term hereof within 15 days after a claim therefor for each such month has been filed by Landlord with the Auditor of the County of Los Angeles (the "County") prior to the first day of each month. Basic Rent for any partial month shall be prorated in proportion to the number of days in such month.

All amounts owed pursuant to this Lease, including but not limited to Additional Tenant Improvement Allowance and Charge Orders, shall be consider Rent hereunder.

Beyond year 1 of the Term, the rental rate shall be adjusted as defined herein:

<u>Year</u>	<u>Rate/Square foot</u>	<u>Monthly</u>
1	\$2.11	\$16,700.65
2	\$2.17	\$17,175.55
3	\$2.24	\$17,729.60
4	\$2.31	\$18,283.65
5	\$2.37	\$18,758.55
6	\$2.45	\$19,391.75
7	\$2.52	\$19,945.80
8	\$2.60	\$20,579.00

6. USES. The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use.

7. HOLDOVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy which is terminable only upon 90 days written notice from Landlord or 30 days written notice from the Chief Executive Officer of Tenant at the last monthly Basic Rent payable under this Lease (as such Basic Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. COMPLIANCE WITH LAW. Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including without limitation, Titles II and III of the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises.

9. DAMAGE OR DESTRUCTION

(a) Damage. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within ten days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. The failure to do so shall be a material default hereunder. Basic Rent shall abate to the extent that the Premises are

unusable by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

(b) Tenant Termination Right. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days for any reason, then Tenant may terminate this Lease by giving written notice within ten days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Basic Rent shall be abated from the date the Premises became untenable. In the event that Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises. Notwithstanding anything to contrary set forth herein or in the Landlord's Work Letter, in the event of Tenant's election to terminate the Lease pursuant to this Section 9(b), Tenant's obligation to repay Landlord the Tenant Improvement Costs (as defined in the Landlord's Work Letter) pursuant to Section 6.3 of the Landlord's Work Letter shall continue in full force and effect, provided however, that the Tenant Improvement Costs outstanding and payable as of the date of cancellation of the Lease shall become immediately due and payable to Landlord in a lump sum payment in immediately available funds.

(c) Damage In Last Year. Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Landlord or Tenant may terminate this Lease by giving notice to the other not more than 30 days after such destruction, in which case (a) Landlord shall have no obligation to restore the Premises, (b) Landlord may retain all insurance proceeds relating to such destruction, and (c) this Lease shall terminate as of the date which is 30 days after such written notice of termination.

(d) Default By Landlord. If Landlord is required to repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Tenant may (a) declare a default hereunder, or (b) perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum, from the Basic Rent next due as a charge against the Landlord.

## 10. REPAIRS AND MAINTENANCE

(a) Landlord Representations. Landlord represents to Tenant that (i) the Premises, the Building and all Common Areas, (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including use the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirements; (iii) the Premises, Building and Common Areas are free of the presence of any Hazardous Materials (as hereinafter defined) except as disclosed below; and (iv) Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation. Landlord represents, and Tenant acknowledges, that the Premises and Building contain lead paint, asbestos and asbestos containing materials. Tenant hereby agrees that Landlord shall not be liable for, and shall hold Landlord harmless, from any claims of injury to Tenant's business or any loss of income therefrom or for damage to the goods, wares, merchandise or other property of Tenant, Tenant's

employees, invitees, customers, or any other person in or about the Premises, nor shall Landlord be liable for injury to the person of Tenant, Tenant's employees, agents or contractors, caused by or as a result of the presence of lead paint, asbestos and/or asbestos containing materials in the Premises. Tenant hereby agrees to indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorney's fees, arising from any injury or damage to any person or property, occurring in or about the Premises as a result of the presence of lead paint, asbestos and/or asbestos containing materials in the Premises. Finally, Tenant acknowledges and agrees that Landlord shall have no obligation to abate any lead paint, asbestos and/or asbestos containing materials in the Premises and/or Building.

(b) Landlord Obligations. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intrabuilding network cable (ii) mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building (iii) the Common Areas; (iv) exterior windows of the Building; and (v) elevators serving the Building.

(c) Tenant Obligations. Without limiting Landlord's Obligations, Tenant shall, at Tenant's sole expense, keep the Premises in good order, condition and repair, including, without limitation, any and all Tenant Improvements (as defined in the Landlord's work Letter) constructed in such Premises and any modular furniture and office equipment installed in such Premises and shall be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Tenant, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws.

(d) Tenant's Right to Repair. If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than five days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten days, Tenant shall be entitled to deduct from Basic Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

## 11. SERVICES AND UTILITIES

Landlord and/or Tenant, as applicable, shall furnish the following services and utilities to the Premises:

(a) Heating, Ventilation and Air Conditioning. Landlord Tenant shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings and not less than the standard set forth in Exhibit D attached hereto.

(b) Electricity. Landlord shall furnish to the Premises the amount of electric current provided for in the Working Drawings (if applicable) but in any event not less than seven watts of electric current (connected load) per square foot of Rentable Square Feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or subpanels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises.

(c) Elevators. Not applicable.

(d) Water. Landlord shall make available water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

(e) Janitorial. Tenant shall provide janitorial service on five nights per week.

(f) Access. Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building.

(g) Security. Tenant shall provide, at its sole cost and expense, no less than one security guard during Normal Working Hours set forth in Section 1.1(q) of this Lease for the primary purpose of protecting the Premises and to ensure that the Tenant's employees, agents, contractors, visitors and customers are directed to the appropriate area within the Premises and to avoid any such persons from loitering outside of the Premises and/or in or about the Building.

12. LANDLORD ACCESS. Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Premises, Basic Rent shall be prorated based upon the percentage of the Premises rendered untenable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

## 13. TENANT DEFAULT

(a) Default. The occurrence of any one or more of the following events (a "Tenant Default") shall constitute a material default and breach of this Lease by Tenant:

(i) The failure by Tenant to make any payment of Basic Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is

expressly permitted hereunder), as and when due and if the failure continues for a period of ten days after written notice to Tenant;

(ii) The failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of 30 days after written notice from Landlord specifying in detail the nature of the Tenant Default; provided, however, if more than 30 days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Tenant Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant. Notwithstanding anything to contrary set forth herein or in the Landlord's Work Letter, in the event of Landlord's election to terminate the Lease pursuant to this Section 13(b), Tenant's obligation to repay Landlord the Tenant Improvement Costs (as defined in the Landlord's Work Letter) pursuant to Section 6.3 of the Landlord's Work Letter shall continue in full force and effect, provided however, that the Tenant Improvement Costs outstanding and payable as of the date of cancellation of the Lease shall become immediately due and payable to Landlord in a lump sum payment in immediately available funds. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law.

(c) No Effect on Indemnity. Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

#### 14. LANDLORD DEFAULT

(a) Remedies. In addition to the provisions for Landlord's default provided by Sections 9(d), 10(d) and 19, Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within ten days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10(c)) ; provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such ten day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (i) to remedy such default or breach and deduct the costs thereof (including but not limited to attorneys' fees) plus interest at the rate of ten (10%) per annum from the installments of Basic Rent next falling due; (ii) to pursue the remedy of specific performance; (iii) to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Basic Rent next coming due; and/or (iv) to terminate this Lease. Notwithstanding anything to contrary set forth herein or in the Landlord's Work Letter, in the event of Tenant's election to terminate the



Lease pursuant to this Section 14(a), Tenant's obligation to repay Landlord the Tenant Improvement Costs (as defined in the Landlord's Work Letter) pursuant to Section 6.3 of the Landlord's Work Letter shall continue in full force and effect, provided however, that the Tenant Improvement Costs outstanding and payable as of the date of cancellation of the Lease shall become immediately due and payable to Landlord in a lump sum payment in immediately available funds.

(b) Waiver. Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

(c) Emergency. Notwithstanding the foregoing cure period, Tenant may cure any default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition or materially and adversely affect the operation of Tenant's business in the Premises.

15. ASSIGNMENT AND SUBLETTING. Tenant may assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises without first obtaining Landlord's prior consent: provided, however, that no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease.

#### 16. ALTERATIONS AND ADDITIONS

(a) Landlord Consent. Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. However, except for the Tenant Improvements (as defined in the Landlord's Work Letter) Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria: (1) complies with all Laws; (2) is not visible from the exterior of the Premises or Building; (3) will not materially affect the systems or structure of the Building; and (4) does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building. If Landlord fails to respond in writing within 30 days of such request, Landlord shall be deemed to approve the Alterations.

(b) End of Term. Any Alterations and Tenant Improvements (as defined in the Landlord's Work Letter) not removed by Tenant shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term, provided, however, Landlord shall have the option to require Tenant to remove any and all Alterations or Tenant Improvements (as Defined in the Landlord's work Letter) at the expiration of the Term, and if Landlord make such election, Tenant shall, at its sole cost and expense remove any and all Alterations and/or Tenant Improvements. Tenant shall repair any damage to the Premises occasioned by the installation or removal of any Alterations and/or Tenant Improvements. Notwithstanding anything to the contrary or otherwise stated in this Lease, Tenant shall leave the

sirlines, power panels, electrical distribution systems, lighting fixtures, air-conditioning, plumbing and other utilities on the Premises.

## 17. CONDEMNATION

(a) Controlling Terms. If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(b) Total Taking. If the Premises are totally taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

(c) Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within 30 days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than 30 days nor later than 90 days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within 30 days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Basic Rent shall be equitably abated. Notwithstanding anything to contrary set forth herein or in the Landlord's Work Letter, in the event of Tenant's election to terminate the Lease pursuant to this Section 17(c) or Section 17(b), Tenant's obligation to repay Landlord the Tenant Improvement Costs (as defined in the Landlord's Work Letter) pursuant to Section 6.3 of the Landlord's Work Letter shall continue in full force and effect, provided however, that the Tenant Improvement Costs outstanding and payable as of the date of cancellation of the Lease shall become immediately due and payable to Landlord in a lump sum payment in immediately available funds.

(d) Restoration. Notwithstanding the preceding paragraph, if, within 30 days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within 90 days after Landlord so notifies Tenant, this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in

effect, except that Basic Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

(e) Award. The Award (as defined below) shall be divided between Landlord and Tenant as their respective interests may appear. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises.

(f) Waiver of Statute. Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the superior court to terminate this Lease in the event of a partial taking of the Premises.

## 18. INDEMNIFICATION

(a) Tenant's Indemnity. Tenant shall indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Tenant or its employees, or arising from any breach or default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees. Nothing in this Lease shall be construed to waive, limit, or supersede any of Tenant's rights or immunities under the California Labor Code, including but not limited to a waiver pursuant to section 3864 of the Labor Code.

(b) Landlord's Indemnity. Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors, or arising from any breach or default under this Lease by Landlord. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

## 19. INSURANCE

(a) Landlord's Insurance. During the term of this Lease, Landlord shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage ; and (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value. Insurance proceeds shall be payable to Landlord and Tenant as their interests may appear and be utilized for repair and restoration of the Premises.

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) naming Tenant and its Agents as an additional insured, with limits of not less

than the following: (1) per occurrence and general aggregate amount of \$5,000,000; and (2) personal and advertising injury of \$1,000,000.

(iii) Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or to use any insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Lease.

(b) Tenant's Insurance. Tenant shall maintain, at Tenant's own cost throughout the Term: (i) commercial general liability insurance in the same amounts and with the same limits as required to be carried by Landlord under Section 19(a)(ii), and (ii) a policy of standard fire and extended coverage insurance on Tenant's personal property, which shall provide coverage of one hundred percent (100%) of the full replacement value.

(c) Lessee, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self insurance (self-funding of its liabilities). Certificate evidencing coverage or letter evidencing self-funding will be provided to Lessor after execution of this Lease at Lessor's request.

(d) Insurance Requirements. All insurance policies required to be maintained by Landlord under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better. All liability and property damage and other casualty policies of Landlord shall be written as primary policies, not contributing with, and not in excess of coverage which Tenant may carry.

(e) Certificates. Landlord shall deliver to Tenant on the Commencement Date of this Lease and thereafter at least 15 days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates shall include the address of the leased premises and must document that each party has named the other as an additional insured (or its equivalent) on its general liability and property insurance policy, and that Tenant has been named a loss payee on Landlord's commercial property insurance policy, as required. Further, all certificates shall expressly provide that no less than 30 days' prior written notice shall be given to Tenant in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

(f) Waiver of Subrogation. Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

20. PARKING. Tenant hereby acknowledges and agrees that it is leasing the Premises without any right to any parking spaces within the Premises and/or the Building and any parking required by Tenant, its employees, agents, contractors, visitors and customers shall be arranged by Tenant without any obligation upon the Landlord.

## 21. ENVIRONMENTAL MATTERS

(a) Hazardous Materials. Except as set forth in Section 10 (a) hereof, Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine

office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

(b) Landlord Indemnity. Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials other than caused by Tenant and except for the presence of lead paint, asbestos and asbestos containing materials in the Premises and/or Building, as disclosed to Tenant prior to the execution of this Lease. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency, provided, however, that Tenant acknowledges and agrees that Landlord shall have no obligation to abate any lead paint, asbestos and/or asbestos containing materials in the Premises and/or Building. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

22. ESTOPPEL CERTIFICATES. Tenant shall, within 30 days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Document II in the Supplemental Lease Documents delivered to Landlord concurrently herewith (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

23. TENANT IMPROVEMENTS. Prior to the Commencement Date, Landlord shall execute and accommodate construction contracts (the "Construction Contracts") on behalf of the Tenant for the construction of the Tenant Improvements and the Tenant shall oversee and coordinate the construction of the Tenant Improvements in the manner set forth in the Landlord's Work Letter executed by Landlord and Tenant concurrently herewith. Landlord shall be responsible for delivering timely payment under the Construction Contracts with reimbursement by Tenant as set forth in the Landlord Work Letter.

24. LIENS. Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien.

## 25. SUBORDINATION AND MORTGAGES

(a) Subordination and Non-Disturbance. Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently herewith and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included herein.

(b) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently herewith within 30 days after the execution of this Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Document V in the Supplemental Lease Documents delivered to Landlord concurrently herewith.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional ten (10) days within which to cure such default.

26. SURRENDER OF POSSESSION. Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant may be required to remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

27. SIGNAGE. Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances.

28. QUIET ENJOYMENT. So long as Tenant is not in default hereunder, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

29. GENERAL

(a) Headings. Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

(c) Brokers. Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation.

(d) Entire Agreement. This Lease (and the Landlord's Work Letter and Supplemental Lease Documents) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

(e) Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(f) Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

(g) Governing Law and Forum. This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

(h) Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any

act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

(i) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

(j) Consent. Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) days after written request is made therefore, together with all necessary information.

(k) Community Business Enterprises. Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Document III in the Supplemental Lease Documents delivered to Landlord concurrently herewith.

(l) Memorandum of Lease. If requested by Tenant, Landlord and Tenant shall execute and acknowledge a Memorandum of Lease in the form of Document IV in the Supplemental Lease Documents delivered to Landlord concurrently herewith, which Memorandum may be recorded by Tenant in the Official Records of Los Angeles County.

30. AUTHORITY. Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Officer of the County or its delegee (the "Chief Executive Officer") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Basic Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

### 31. ACKNOWLEDGMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

(a) Consideration of GAIN Program Participants. Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give



consideration for any such employment, openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

(b) Solicitation of Consideration. It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the Lease or that landlord's failure to provide such consideration may negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the Lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the landlord's submission being eliminated from consideration.

(c) Landlord Assignment.

(i) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Basic Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

(ii) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

(iii) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.

(iv) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and

extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

(v) Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Basic Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(vi) Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

(vii) The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns whether so expressed or not.

32. IRREVOCABLE OFFER. In consideration for the time and expense that Tenant will invest, including, but not limited to, preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

33. OPTION TO EXTEND.

(a) Terms of Option Provided that no material default has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have two options to renew this Lease for two additional consecutive periods of five years each (each, an "Option Term").

(b) Exercise of Option Tenant must exercise its option to extend this Lease, if it elects to do so, by giving Landlord written notice of its intent to do so by Chief Executive Office letter no later than 90 days prior to the end of the initial Term, or first option term, as the case may be. The rights contained in this Section shall be personal to the original Tenant and may only be exercised by the original Tenant (and not any other assignee, sublessee or other transferee of the original Tenant's interest in this Lease) if the original Tenant occupies the entire Premises.

(c) Terms and Conditions of Extension Term The Option Term shall be on all the terms and conditions of this Lease, except that Basic Rent for each Option Term shall be the higher of (i) the market rate for such Premises as mutually agreed upon by Landlord and Tenant or (ii) the rate in effect (adjustable only as provided in Sections 2(b) and 5) hereof during the last

year of the original Lease Term (or first Option Term, as the case may be) subject to 3 percent annual adjustments.

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

LANDLORD:

SAMKO, General Partnership

By: M. Omm

Name: Mardik Ommakere

Its: General Partner

TENANT:



COUNTY OF LOS ANGELES  
a body politic and corporate

By: Don Knabe

DON KNABE

Chairman, Board of Supervisors

ATTEST:

SACHI A. HAMAI  
Executive Officer-Clerk  
of the Board of Supervisors

By: [Signature]

Deputy

I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made

SACHI A. HAMAI  
Executive Officer  
Clerk of the Board of Supervisors

By: [Signature]

Deputy

APPROVED AS TO FORM:

RICHARD D. WEISS  
Acting County Counsel

By: C. J. S.

Deputy

**ADOPTED**  
BOARD OF SUPERVISORS

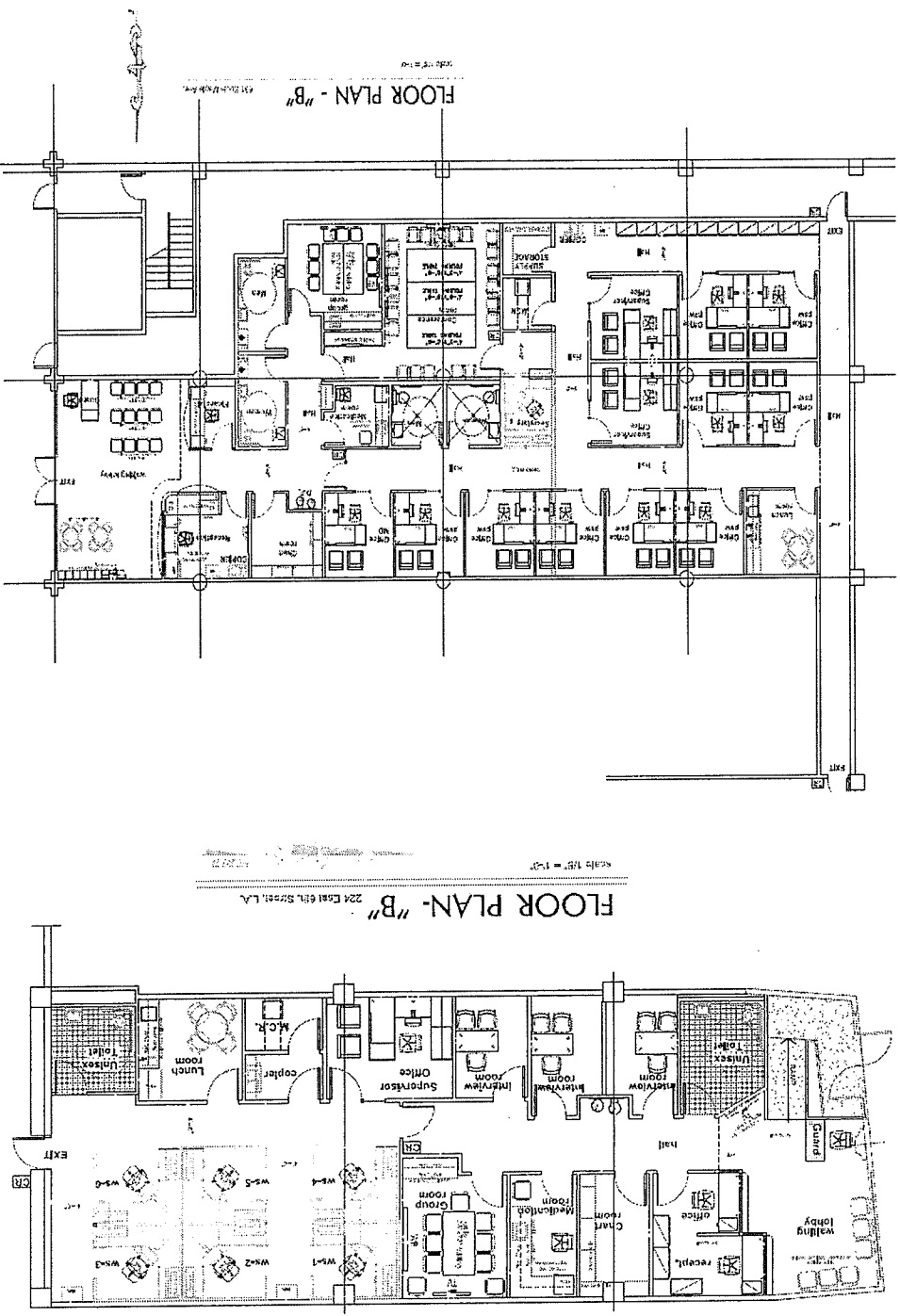
**#42 - D SEP 02 2014**

Sachi A. Hamai  
SACHI A. HAMAI  
EXECUTIVE OFFICER

78261

# EXHIBIT A

## FLOOR PLAN OF PREMISES



DESCRIPTION (Continued)

CONNECTION THEREWITH, AND OTHER USE THEREOF, WHICH USES MAY INCLUDE LATERAL OR SLANT DRILLING, DIGGING, BORING OR SINKING OF WELLS, SHAFTS OR TUNNELS TO OTHER LANDS NOT SUBJECT TO THOSE RESERVATIONS AND EASEMENTS; PROVIDED, HOWEVER, THAT SAID GRANTOR, ITS SUCCESSORS AND ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS AND SHALL NOT DISTURB THE SURFACE OF SAID LAND OR ANY IMPROVEMENTS THEREON OR REMOVE OR IMPAIR THE LATERAL OR SUBJACENT SUPPORT OF SAID LAND OR ANY IMPROVEMENTS THEREON, AND SHALL CONDUCT NO OPERATIONS WITHIN 500 FEET OF THE SURFACE OF SAID LAND.

IN THE EXERCISE OF SAID RESERVED EXCLUSIVE EASEMENTS, MINERAL RIGHTS AND RESERVATIONS, GRANTOR MAY POOL SAID LANDS WITH OTHER LANDS. THE RIGHTS OF GRANTOR SHALL INCLUDE, BUT SHALL IN NO WAY BE LIMITED TO, ALL SUBTERRANEAN RIGHTS NECESSARY, INCIDENTAL OR CONVENIENT TO THE FULL EXERCISE OF THE RIGHTS RESERVED BY GRANTOR BELOW 500 FEET OF THE SURFACE OF SAID LAND AND SHALL INCLUDE THE RIGHT TO DRILL AND MAINTAIN WELL HOLES THROUGH THE SAID LAND BELOW 500 FEET FROM THE SURFACE THEREOF FOR THE PURPOSE OF REMOVING OIL, GAS AND OTHER HYDROCARBON SUBSTANCES FROM OTHER LANDS, WHETHER SUCH OTHER LANDS BE ADJACENT, CONTIGUOUS OR DISTANT FROM SAID LANDS.

5. The land referred to in this policy is situated in the State of California, County of LOS ANGELES and is described as follows:

A PARCEL OF LAND IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY LINE OF LOS ANGELES STREET (50 FEET WIDE) AS SHOWN ON MAP OF THE 6TH ST. TERMINAL TRACT, RECORDED IN BOOK 6 PAGE 100 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITH THE SOUTHWESTERLY LINE OF 6TH STREET (NOW 70 FEET WIDE) AS SAID SOUTHWESTERLY LINE WAS ESTABLISHED BY FINAL DECREE OF CONDEMNATION ENTERED IN CASE NO. 54476, SUPERIOR COURT, A CERTIFIED COPY THEREOF BEING RECORDED IN BOOK 3712 PAGE 75 OF RECORDS, IN SAID OFFICE OF THE COUNTY RECORDER; THENCE ALONG SAID SOUTHWESTERLY LINE SOUTH 54 DEGREES 12 MINUTES 25 SECONDS EAST 349.13 FEET TO THE NORTHWESTERLY LINE OF MAPLE AVENUE (50 FEET WIDE) AS SHOWN ON SAID LAST MENTIONED MAP; THENCE ALONG SAID NORTHWESTERLY LINE SOUTH 73 DEGREES 54 MINUTES 18 SECONDS WEST 182.45 FEET TO AN ANGLE POINT THEREIN; THENCE CONTINUING ALONG THE NORTHWESTERLY LINE OF SAID MAPLE AVENUE, SOUTH 39 DEGREES 34 MINUTES 15 SECONDS WEST 248.08 FEET TO THE MOST SOUTHERLY CORNER OF LOT 5 OF REYES VINEYARD PROPERTY, AS SHOWN ON MAP RECORDED IN BOOK 59 PAGE 92 OF MISCELLANEOUS RECORDS, IN SAID OFFICE OF THE COUNTY RECORDER; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID LOT 5, NORTH 50 DEGREES 31 MINUTES 46 SECONDS WEST 125 FEET TO THE MOST SOUTHEASTERLY LINE OF LOT 2 OF SAID 6TH ST. TERMINAL TRACT; THENCE ALONG SAID MOST SOUTHEASTERLY LINE AND ITS SOUTHWESTERLY PROLONGATION, SOUTH 39 DEGREES 34 MINUTES 15 SECONDS WEST 248.50 FEET TO THE NORTHWESTERLY LINE OF 7TH STREET (50 FEET WIDE) AS SHOWN ON SAID MAP OF THE 6TH ST. TERMINAL TRACT; THENCE ALONG SAID NORTHWESTERLY LINE NORTH 49 DEGREES 50 MINUTES 30 SECONDS WEST 180.24 FEET TO THE SOUTHWESTERLY TERMINUS OF THAT CERTAIN COURSE HAVING A BEARING AND LENGTH OF "NORTH 41 DEGREES 29 MINUTES EAST 50 FEET" IN THE BOUNDARY LINE OF LOT 4 OF SAID 6TH ST. TERMINAL TRACT AS SHOWN ON THE MAP THEREOF; THENCE ALONG SAID BOUNDARY LINE NORTH 41 DEGREES 29 MINUTES 10 SECONDS EAST 49.97 FEET TO AN ANGLE POINT THEREIN; THENCE ALONG A SOUTHWESTERLY LINE OF SAID LOT 4, NORTH 49 DEGREES 50 MINUTES 30 SECONDS WEST 89.93 FEET TO SAID SOUTHEASTERLY LINE OF LOS ANGELES STREET (50 FEET WIDE); THENCE ALONG SAID SOUTHEASTERLY LINE NORTH 41 DEGREES 29 MINUTES 10 SECONDS EAST 520.80 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF THE ABOVE DESCRIBED LAND WHICH IS INCLUDED WITHIN THE LINES OF THE LANDS DESCRIBED IN PARCELS 1, 2 AND 3 OF THE DEED TO GREYHOUND LINES, INC., RECORDED ON JANUARY 30, 1964, AS DOCUMENT NO. 1428, IN BOOK D 2128 PAGE 488, OFFICIAL RECORDS, IN SAID OFFICE OF THE COUNTY RECORDER, THE TITLE AND EXCLUSIVE RIGHT TO ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, OCCURRING 500 FEET BENEATH THE SURFACE THEREOF, NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS, AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF SAID GRANTOR, ITS SUCCESSORS AND ASSIGNS, OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AND TO MAKE SUCH USE OF SAID LAND BENEATH THE SURFACE AS IS NECESSARY OR USEFUL IN

DESCRIPTION (Continued)

CONNECTION THEREWITH, AND OTHER USE THEREOF, WHICH USES MAY INCLUDE LATERAL OR SLANT DRILLING, DIGGING, BORING OR SINKING OF WELLS, SHAFTS OR TUNNELS TO OTHER LANDS NOT SUBJECT TO THOSE RESERVATIONS AND EASEMENTS; PROVIDED, HOWEVER, THAT SAID GRANTOR, ITS SUCCESSORS AND ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS AND SHALL NOT DISTURB THE SURFACE OF SAID LAND OR ANY IMPROVEMENTS THEREON OR REMOVE OR IMPAIR THE LATERAL OR SUBJACENT SUPPORT OF SAID LAND OR ANY IMPROVEMENTS THEREON, AND SHALL CONDUCT NO OPERATIONS WITHIN 500 FEET OF THE SURFACE OF SAID LAND.

IN THE EXERCISE OF SAID RESERVED EXCLUSIVE EASEMENTS, MINERAL RIGHTS AND RESERVATIONS, GRANTOR MAY POOL SAID LANDS WITH OTHER LANDS. THE RIGHTS OF GRANTOR SHALL INCLUDE, BUT SHALL IN NO WAY BE LIMITED TO, ALL SUBTERRANEAN RIGHTS NECESSARY, INCIDENTAL OR CONVENIENT TO THE FULL EXERCISE OF THE RIGHTS RESERVED BY GRANTOR BELOW 500 FEET OF THE SURFACE OF SAID LAND AND SHALL INCLUDE THE RIGHT TO DRILL AND MAINTAIN WELL HOLES THROUGH THE SAID LAND BELOW 500 FEET FROM THE SURFACE THEREOF FOR THE PURPOSE OF REMOVING OIL, GAS AND OTHER HYDROCARBON SUBSTANCES FROM OTHER LANDS, WHETHER SUCH OTHER LANDS BE ADJACENT, CONTIGUOUS OR DISTANT FROM SAID LANDS.

EXHIBIT C

COMMENCEMENT DATE MEMORANDUM  
AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain lease ("Lease") dated \_\_\_\_\_, 200\_, between County of Los Angeles, a body politic and corporate ("Tenant"), and \_\_\_\_\_, a \_\_\_\_\_ ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at \_\_\_\_\_ ("Premises"),

Landlord and Tenant hereby acknowledge as follows:

- (1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on \_\_\_\_\_ ("Possession Date");
- (2) Tenant has accepted possession of the Premises and now occupies the same;
- (3) The Lease commenced on \_\_\_\_\_ ("Commencement Date");
- (4) The Premises contain \_\_\_\_\_ rentable square feet of space; and
- (5) Basic Rent per Month is \_\_\_\_\_.

IN WITNESS WHEREOF, this Memorandum is executed this \_\_\_ day of \_\_\_\_\_, 20\_\_.

"Tenant"	"Landlord"
COUNTY OF LOS ANGELES, a body politic and corporate	_____, a _____
By: _____ Name: _____ Its: _____	By: _____ Name: _____ Its: _____

EXHIBIT D  
HVAC STANDARDS

N/A



## EXHIBIT E

### CLEANING AND MAINTENANCE SCHEDULE

1. DAILY (Monday through Friday)
  - A. Composition floors dust-mopped.
  - B. Graffiti expunged as needed within two (2) working days after notice by Tenant.
2. SEMI-ANNUALLY
  - A. Windows washed as required inside and outside but not less frequently than twice annually.
3. AS NEEDED
  - A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.

**LANDLORD'S WORK LETTER**

**For**

**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE  
LEASE AND AGREEMENT**

**DEPARTMENT: MENTAL HEALTH, as Tenant**

**LANDLORD: SAMKO, General Partnership**

**631 South Maple Avenue, Los Angeles and  
224 East 6<sup>th</sup> Street, Los Angeles**

## LANDLORD'S WORK LETTER

This Work Letter supplements the Lease (the "Lease") dated \_\_\_\_\_, 2014, executed concurrently herewith, by and between \_\_\_\_\_ ("Landlord") as Landlord, and COUNTY OF LOS ANGELES ("Tenant" or "County") as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

The parties hereby agree as follows:

1. Basic Work Letter Information. The following terms as used herein shall have the meanings provided in this Section unless otherwise specifically modified by provisions of this Work Letter.

(a) <u>Base Tenant Improvement Allowance:</u>	N/A
(b) <u>Additional Tenant Improvement Allowance:</u>	\$831,075 (i.e., \$105 per rentable square foot of the Premises)
(c) <u>Maximum Change Order Allowance:</u>	\$39,575 (i.e., \$5 per rentable square foot on the Premises)
(d) <u>Additional Tenant Improvement and Change Order Amortization Rate:</u>	8% per annum
(e) <u>Basic Rent Reduction per \$1,000:</u>	N/A
(f) <u>Tenant's Work Letter Representative:</u>	Miguel Covarrubias or an assigned staff person of the Chief Executive Office-Real Estate Division
(g) <u>Landlord's Work Letter Representative:</u>	An assigned representative of the Landlord
(h) <u>Landlord's Address for Work Letter Notice:</u>	SAMKO, General Partnership 208 East 6 <sup>th</sup> Street Los Angeles, California 90014
(i) <u>Tenant's Address for Work Letter Notice:</u>	Board of Supervisors Kenneth Hahn Hall of Administration Room 383

	500 West Temple Street Los Angeles, California 90012 With a copy to: Chief Executive Office- Real Estate Division 222 South Hill Street, 3 <sup>rd</sup> Floor Los Angeles, California 90012 Attention: Director of Real Estate Fax Number: (213) 217-4971
(j) <u>Addenda:</u>	Addendum A: Base Building Improvements Addendum B: Tenant Improvements

## 2. **Construction of the Building.**

2.1 **Base Building Improvements.** Landlord has constructed or shall construct the base Building improvements as a part of the Building described on Addendum A hereto (the "Base Building Improvements"). To the extent that the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, such changes or additions shall be considered Tenant Improvements (as defined below) only to the extent such changes or additions are specifically described in Addendum B hereto.

### 2.2 **Additional Costs Not Tenant Improvement Costs.**

(a) In the event that the Building as initially constructed does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes, and Landlord incurs increased design or construction costs that it would not have incurred had the Building been in compliance with such codes, such costs shall not be included in the calculation of Tenant Improvement Costs as defined below and Tenant shall have no financial responsibility for such costs.

(b) Any work that Landlord must undertake to cause the Premises to comply with the access requirements of the ADA or make existing building systems, including, but not limited to, electrical service and HVAC equipment, fully operational shall be at Landlord's sole cost and expense. Tenant Improvement Costs shall not include any costs associated with (i) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere; or (ii) supervision or overhead costs of Landlord.

2.3 **Base Building Plans.** Landlord has delivered to Tenant "as built" plans and specifications for the Premises in an AutoCAD 2000 format. In the event Tenant incurs additional costs because such plans and specifications are incomplete or inaccurate, such increased costs will be reimbursed to Tenant and any delay caused thereby shall not be a Tenant Delay, as defined below.

3. **Selection of Architect and Engineer.** Unless waived by Tenant, Landlord shall promptly solicit at least three proposals from qualified licensed architects ("Architect") and engineers ("Engineer") familiar with all applicable laws and building requirements detailing a scope of work

sufficient to complete the Working Drawings as defined below. The Architect and the Engineer shall be selected by Landlord subject to Tenant's consent, which consent shall not be unreasonably withheld, and which consent (or refusal to consent for reasonable reasons) shall be granted within three business days after Landlord has submitted the name of the Architect and the Engineer to Tenant together with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until the Architect and the Engineer is/are finally approved by Tenant and written consent has been delivered to and received by Landlord.

4. **Selection of Contractor.** Unless waived by Tenant, the Final Plans, as defined below, and a proposed construction contract approved by Tenant, shall be submitted to contractors, selected by Landlord and approved by Tenant, sufficient in number so that a minimum of three bids are received. Each approved contractor shall be requested to submit a sealed fixed price contract bid price (on such contract form as Landlord shall designate) to construct the Tenant Improvements designated on the Final Plans. Landlord and Tenant shall jointly open and review the bids. Landlord and Tenant, after adjustments for inconsistent assumptions, shall select the most qualified bidder offering the lowest price and such contractor ("Contractor") shall enter into a construction contract ("Construction Contract") with Landlord consistent with the terms of the bid to construct the Tenant Improvements.

5. **Preparation of Plans and Specifications and Construction Schedule.**

5.1 **Preparation of Space Plan.** Concurrently with the execution of this Lease, Tenant shall submit to Landlord a space plan and specifications for the Premises showing all demising walls, corridors, entrances, exits, doors, interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room (collectively the "Space Plan").

5.2 **Preparation and Approval of Working Drawings.** Within ten days of the date the Space Plan is submitted to Landlord (the "Plan Submission Date"), Tenant shall instruct the Architect to commence preparation of Working Drawings (the "Working Drawings"), which shall be compatible with the design, construction and equipment of the Building, comply with all applicable laws, be capable of physical measurement and construction, contain all such information as may be required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and contain all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant the Working Drawings, or such portion as has from time to time been submitted, for review. Tenant shall be solely responsible for insuring that the Working Drawings fully comply with all applicable building codes and are free from errors or omissions on the part of the Architect.

5.3 **Preparation and Approval of Engineering Drawings.** Tenant shall cause the Architect to coordinate all engineering drawings prepared by the Engineer, showing complete mechanical, electrical, plumbing, and HVAC plans ("Engineering Drawings") to be integrated into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review.

5.4 **Integration of Working Drawings and Engineering Drawings into Final Plans.** After Tenant has approved the Engineering Drawings, Tenant shall cause the Architect to integrate the approved Working Drawings with the approved Engineering Drawings (collectively "Final Plans") and deliver five sets of the Final Plans to Tenant. The Final Plans shall be suitable for plan check

review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements) and power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements.

5.5 Approval of Plans by Tenant. Approval by Tenant shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements.

5.6 Schedule. Within 30 days after the Plan Submission Date, Landlord shall submit to Tenant a detailed construction schedule, subject to approval by Tenant which approval shall not be unreasonably withheld, setting forth the dates specific completion of certain project benchmarks including, but not limited to, completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of construction contract, construction commencement, construction completion, Projected Commencement Date and other similar dates. As the construction continues, Landlord shall amend the schedule from time to time to reflect any changes to the projected dates.

## **6. Final Construction Budget and Payment of Tenant Construction Costs.**

6.1 Construction Budget. Within three days after the Plan Submission Date, Tenant shall submit to Landlord a preliminary budget (the "Preliminary Budget"). Such budget shall be revised into final form within ten days from of the date the Contractor is selected and will be referred to herein as the "Final Construction Budget". Tenant shall have five days from the date of receipt of the Final Construction Budget to approve or disapprove the Final Construction Budget. Construction of the Tenant Improvements shall not begin until such time as Tenant indicates its approval or disapproval of the Final Construction Budget or the five day period expires without any response from Tenant. In the event Tenant disapproves the Final Construction Budget due to matters related to cost and the Final Construction Budget is ten percent (10%) or more higher in cost than was projected in the Preliminary Construction Budget, then any delay caused by the necessity to rebid or redesign the Tenant Improvements shall not be considered a Tenant Delay. Landlord shall review the Space Plan, Working Drawings, Engineering Drawings and Final Plans at its sole cost and expense. No fee for profit, overhead or general conditions in connection with the construction of the Tenant Improvements shall be included in the Final Construction Budget unless approved by Tenant.

6.2 Additional Tenant Improvement Allowance. All improvements required by the Final Plans and modular furniture described in the Modular Specifications, as further described in Addendum B hereto (collectively, the "Tenant Improvements") shall be at Tenant's sole cost and expense, provided however, that Landlord shall be responsible for the payment to the Contractor pursuant to the Construction Contract or any other third parties hired to construct and/or supply the Tenant Improvements, as applicable, or prepare the Working Drawings, Engineering Drawings, Final Plans and/or any other such plans related to the Tenant Improvements an amount not to exceed the amounts set forth as the Additional Tenant Improvement Allowance and the Maximum Change Order Allowance in Section 1 hereof and any and all such payments made by Landlord

shall be repaid to Landlord by Tenant as provided in Section 6.3 herein. Costs of Tenant Improvements shall include, without limitation, construction costs for furniture, telecommunications equipment, soft costs and any other costs designated in writing by Tenant not to exceed, in the aggregate, the sum of the Base Tenant Improvement Allowance, the Additional Tenant Improvement Allowance and costs of Change Orders, as defined below (collectively "Tenant Improvement Costs"). ~~Landlord~~ Tenant shall be solely responsible for any delay or increased cost in completing the Tenant Improvements. It is anticipated that the Tenant Improvement Costs will exceed the Base Tenant Improvement Allowance, and Tenant's Chief Executive Office may authorize Landlord to pay the overage in an amount not exceeding the Additional Tenant Improvement Allowance. The Additional Tenant Improvement Allowance shall be paid to Landlord as provided herein.

6.3 Method of Payment. That portion of the Additional Tenant Improvement Allowance used to pay for the Tenant Improvement Costs shall, at Tenant's election, be paid to Landlord (i) in a lump sum when the Tenant Improvements are Substantially Complete, or (ii) in equal amortized monthly payments over the initial five (5) years of the Term of the Lease at the Tenant Improvement Amortization Rate. Tenant may at any time during the Term prepay Landlord in a lump sum for all or any portion of the Tenant Improvement Costs, amortizing any remaining amount in equal amortized monthly payments over the ~~term~~ initial five (5) years of the Term of the Lease at the Tenant Improvement Amortization Rate.

## **7. Construction of Tenant Improvements.**

7.1 Tenant Improvements. Tenant Improvements to be constructed by Tenant are described more particularly on Addendum B hereto. If any work required by the Final Plans is not described on Addendum B hereto the work shall be performed by Tenant at its own cost and expense and ~~not~~ shall be included in the cost of Tenant Improvements.

7.2 Bids. Unless waived by Tenant in writing, any major contractors, subcontractors and materials providers providing labor and/or materials for the Tenant Improvements shall be selected only after at least three bids have been solicited from responsible and qualified persons. Landlord shall submit at least three sealed fixed price bids for the construction of the Tenant Improvements to Tenant for its review prior to the award of the Construction Contract. The bids shall be jointly opened and reviewed. The bids shall include an itemized list of all materials and labor and shall include all additional costs, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. At least three bids for the purchase and installation of the office furniture system, prepared by the furniture dealer, shall be included in the construction estimates, if applicable.

(a) Permits. Tenant shall secure the approval of governmental authorities, and all permits required by governmental authorities having jurisdiction over such approvals and permits for the Tenant Improvements, promptly after approval of the Final Plans.

(b) Commencement of Construction. Landlord shall commence construction of the Tenant Improvements within 15 days after issuance of all such necessary permits. Landlord shall commence and, once commenced, shall thereafter diligently proceed to construct and complete all Tenant Improvements, subject to any cessation that may be caused by Force Majeure Delays.

7.3 Construction. Construction of the Tenant Improvements will be subject to the following terms and conditions:

(a) Notice of Nonresponsibility. Landlord and the Contractor shall cooperate with Tenant in posting a notice or notices of nonresponsibility by Tenant.

(b) Decorating Decisions. All design and programming, space planning and interior decorating services, such as selection of wall paint colors and/or wall coverings, furniture, fixtures, carpeting and any or all other decorator selection efforts required by Tenant, shall be provided by Tenant at Tenant's expense in accordance with Tenant's Space Plan. Tenant shall consult with ~~Tenant~~ Landlord with respect to all such decorating services and decisions.

(c) Clean-Up and Substandard Work. Tenant will be responsible for all clean-up with respect to the Tenant Improvements, whether in the Premises themselves or in other areas utilized by Tenant or its contractors, and agrees to reimburse Landlord for any and all expenses incurred by Landlord by reason of substandard work performed by Tenant's contractor or contractors (as reasonably determined by Landlord according to the usual standards of work in the Building) or as a result of inadequate clean-up.

(d) Compliance with Laws. Construction of the Tenant Improvements shall comply with all applicable laws and regulations and shall be subject to the general inspection of Tenant. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including, but not limited to, all provisions of the Labor Code of the State of California. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction of the improvements. Particulars of the current Prevailing Wage Scale as approved by the Board of Supervisors which are applicable to the work are filed with the Clerk of the Board of Supervisors and must be posted at the site.

7.4 Conformed Plans. Within 60 days after Substantial Completion of the Tenant Improvements and receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans ("as-builts") incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such "as-built" or "record documents" shall be submitted on three and one-half inch (3½") 1.4Mb magnetic media diskettes in Auto CAD R 12.dwg (or later version) format or .DXF format, along with one complete set of mylar transparencies of drawings and one complete set of specifications.

8. Change Orders. Tenant and Landlord may make changes, additions, deletions or alterations in the Final Plans ("Change Order") provided both Tenant and Landlord approve such changes in writing. The amount of the Maximum Change Order Allowance set forth in Section 1 has been authorized by the Board of Supervisors of the County to be used to pay the costs of all authorized Change Orders but only the Chief Executive Officer is authorized to approve Change Orders on behalf of Tenant and then only if the aggregate amount of such approved Change Orders does not exceed the Maximum Change Order Allowance. Tenant may elect to pay for Change Orders by: (a) payment in a lump sum upon Substantial Completion of the Tenant Improvements, or (b) amortization of such costs over the initial five (5) years of the Term of the Lease at the Change Order Amortization Rate payable in equal monthly installments over the initial five (5) years of the Term of the Lease. Landlord shall submit to the Chief Executive Officer with each requested Change Order (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Change Orders previously approved, and (iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved. Each Change Order must be signed and dated by the Chief Executive Officer.



9. **Furniture System.**

9.1 Tenant shall deliver to Landlord within ten days after execution hereof, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, Landlord and /or Landlord's Architect, shall prepare a modular furniture specifications bid package for submission to no less than three furniture vendors. Prior to submission for bids, Landlord shall review the bid package with Tenant and Tenant shall have the right to approve or disapprove the bid package. Landlord shall ~~provide at its cost~~ be responsible for the payment to the modular furniture vendor(s) for the cost of the modular furniture set forth in the Modular Specifications and shall not be responsible for the cost of such modular furniture in excess of the Additional Tenant Improvement Allowance. Tenant shall reimburse the Landlord in a lump sum or in accordance with a financed transaction entered into between Landlord and the furniture vendor acceptable to the Tenant, including, but not limited to, a lease purchase agreement, provided the outstanding balance can be no more than One Dollar (\$1) at the end of a term not to exceed 120 months.

9.2 Tenant may opt to finance the lump-sum payment for the cost of modular furniture through lease-purchase financing with a third-party vendor ("Creditor"). In the event the Tenant elects to enter into a lease-purchase financing of the furniture and telecommunications equipment (the "Personal Property") through a Creditor, Landlord expressly agrees as follows:

(a) The Personal Property shall not become part of the realty or real property, but shall remain personal property removable by the Creditor and its assigns, provided that any damage occasioned by such removal shall be repaired by Creditor.

(b) Landlord shall be notified by Creditor of any plan by Creditor to remove the Personal Property.

(c) This section shall be binding on the representatives, successors and assigns of all parties hereto and shall inure to the benefit of the successors-in-interest to all parties hereto.

(d) Landlord does hereby waive any right to gain possession of any of Personal Property during the term of this Lease.

10. **Tenant Improvement Costs Adjustment and Right to Audit.** Within five days of the issuance of a Certificate of Occupancy, or a final sign-off by the City of Los Angeles, which ever occurs first, Landlord shall provide to Tenant a statement showing in reasonable detail all Tenant Improvement Costs and the total amount payable hereunder by Tenant to Landlord. Upon approval of the statement by Tenant, payments by either party pursuant to the Lease and this Landlord's Work Letter shall be adjusted as appropriate, based upon such statement. Tenant shall have the right to audit these costs for a period of 24 months from the date of acceptance by Tenant of the Premises. In the event the audit shows that Tenant is entitled to a reduction in payments to the Landlord under this Landlord's Work Letter, Tenant shall provide Landlord with a copy of the audit summary and Landlord, within 30 days, shall refund to Tenant the amount of any overpayment

made by Tenant and all future payments shall be adjusted as appropriate based upon the audit results.

11. **Exclusions.** The Tenant Improvement Costs shall not include any costs incurred for conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere. All work for required air conditioning system conversion shall be performed at the sole cost and expense of Landlord.

12. **Telephone/Computer Room and Equipment.** Tenant shall complete the telephone equipment room(s) including permanent power and HVAC, in compliance with the Space Plan and specifications provided by Tenant, at least 30 days prior to the Projected Commencement Date. During this 30 day period, the Tenant shall be solely responsible for any telephone/data equipment delivered to the site for programming prior to the Projected Commencement Date.

13. **Delay.**

13.1. **Tenant Delays and Force Majeure Delays.** Except as set forth herein, no delay in the completion of construction of the Tenant Improvements shall be considered in the determination of the Commencement Date of the Lease and, except as set forth herein or in the Lease, under no circumstance shall Tenant be charged with any delay whatsoever as a result of delay in the construction of Tenant Improvements. Subject to the provisions of Section 13.2, the Projected Commencement Date set forth in the Lease shall be extended one (1) day for each day that: (i) Tenant fails or refuses to give authorizations or approvals within the time periods required herein but only to the extent such delays delay the commencement or completion of construction of the Tenant Improvements (referred to herein as "Tenant Delay(s)"); or (ii) Substantial Completion of the Tenant Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)").

13.2. **Limitations.**

(a) **Notice.** No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless Landlord has provided written notice, within 48 hours of the event giving rise to such claim, in compliance with the Lease, to Tenant specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred only commencing as of the date Tenant received such notice from Landlord.

(b) **Mitigation.** Tenant Delays and Force Majeure Delays shall delay the Projected Commencement Date only in the event that Substantial Completion of the Tenant Improvements is delayed, despite Landlord's reasonable efforts to adapt and compensate for such delays, which efforts Landlord shall be obligated to make (provided such additional cost incurred by Landlord due to such effort does not exceed \$1,000 on a cumulative basis, unless Tenant agrees to pay to such excess).

(c) **Concurrent Delays.** Tenant Delays and Force Majeure Delays shall be recognized hereunder only to the extent the same are not concurrent with any other Tenant Delay or Force Majeure Delay which is effective hereunder. For example, if there are ten days of Tenant Delays and four days of Force Majeure Delays which occur during the same ten day period of such Tenant Delays, then the Projected Commencement Date would be extended by only ten days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, the Projected Commencement Date would be extended by 14 days.

(d) Change Orders. Landlord may not claim that a Change Order requested by Tenant was the cause of a delay in the construction of the Tenant Improvements unless the anticipated delay is specified in writing in the Change Order authorization.

14. **Default**. Any default by Landlord under the terms of this Landlord's Work Letter shall constitute a default under the Lease and shall entitle Tenant to exercise all remedies set forth in the Lease.

15. **Representatives**.

15.1 Tenant Representative. Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Landlord's Work Letter who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Tenant's Address for Work Letter Notice as set forth in Section 1.

15.2 Landlord Representative. Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on behalf of Landlord as required in this Landlord's Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Landlord's Address for Work Letter Notice as set forth in Section 1.

16. **Construction Meetings**. During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, unless Tenant directs otherwise, at a time and place which is mutually convenient. An initial construction meeting shall be held within five days of the date the Contractor is selected.

17. **Delivery**. Delivery of all plans and drawings referred to in this Work Letter shall be by commercial messenger service or personal hand delivery, unless otherwise agreed by Landlord and Tenant.

LANDLORD:

By: SAMKO, General Partnership  
Name: M. David Mordik Onnackend  
Title: General Partner  
Date Signed: 8-6-2014

TENANT:

COUNTY OF LOS ANGELES,  
a body politic and corporate

By: Carlos E. Marquez  
Name: Carlos E. Marquez  
Title: Deputy Director of Real Estate  
Date Signed: August 11, 2014

## **ADDENDUM A To Landlord's Work Letter**

### **BASE BUILDING IMPROVEMENTS**

Landlord has constructed (or will construct) the Building to include the following:

- (a) The Building shell and exterior, including perimeter window frames, mullions and glazing in good condition;
- (b) Unpainted exterior dry wall or lath and plaster covering the exposed side of all exposed core walls, core and perimeter columns and the interior exposed side of all exterior building wall areas except at and under windows;
- (c) Public stairways;
- (d) Passenger and freight elevators;
- (e) Parking facilities;
- (f) Ground floor lobby;
- (g) Finished elevator lobbies (with carpet, lights, finished walls and ceiling);
- (h) Loading dock and/or area;
- (i) Conduit access sufficient for Tenant's electrical wiring (no additional improvement to increase conduit access will be furnished by Landlord unless there is not sufficient riser space as required for a 1.5" diameter signal cable from the Building main telecommunication vault to the telephone closets on the ground floor of the Building , in which case Landlord, at no cost to Tenant and without deduction from the Tenant Improvement Allowance, shall cause such riser space to be made available to Tenant, and provided further that Tenant shall be responsible for the cost for removing the riser floor seal at each floor and the patching of each seal after installation of Tenant's cable);
- (j) Access at panels in the service core for distribution of Building requirements electrical power (initially 120/208 V for power and 277V for fluorescent lighting) up to the limits permitted under applicable law at the time the Building receives the initial temporary certificate of occupancy for the Building; and

## **ADDENDUM B To Landlord's Work Letter**

### **TENANT IMPROVEMENTS**

Tenant improvements shall include:

- (a) Tenant ceilings and lighting;
- (b) Floor finish in the Premises (except elevator lobbies and public corridors on multi-tenant floors and toilet rooms);
- (c) Interior finishes of any kind within the Premises (except elevator lobbies and public corridors on multi-tenant floors and core area toilet rooms);
- (d) Interior partitions, doors and hardware within the Premises;
- (e) Terminal boxes and reheat coils or other HVAC or air distribution devices to or within the Premises;
- (f) As applicable, Tenant's furniture, fixtures and equipment, including telephones, computers and cabling therefor;
- (g) Distribution of electrical services, plumbing services and sprinklers from the core to the Premises, and domestic hot water heater and associated hot water piping;
- (h) Any and all signs for Tenant and the power therefor;
- (i) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms and extinguishers;
- (j) Additional and/or above standard electrical capacity; and
- (k) Fiber optic access; and
- (l) Two 208/120 and one 480/277 volt panels connected to the Building power system;
- (m) Primary fire sprinkler distribution, including secondary piping and sprinkler heads as required for the unoccupied Premises;
- (n) Primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution.